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SUBJECT= LETTER TO SENATOR PERCY FROM THE SECRETARY

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TAGS= OVIP, US, RP, CH, (HAIG, ALEXANDER M JR), (PERCY, CHARLES H)

DEPARTMENT OF STATE		IS/FPC/CDR <u>TRB</u> Date: <u>12/5/92</u>
<input checked="" type="checkbox"/> RELEASE	<input checked="" type="checkbox"/> DECLASSIFY	MR Cases Only:
<input type="checkbox"/> EXCISE	<input type="checkbox"/> DECLASSIFY	EO Citations: _____
<input type="checkbox"/> DENY	<input type="checkbox"/> IN PART	
<input type="checkbox"/> DELETE Non-Responsive Info		TS authority to: _____
FOIA Exemptions _____		<input type="checkbox"/> CLASSIFY as <input type="checkbox"/> S or
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ACTION SS-15

INFO OCT-01 ADS-00 EA-10 H-01 SSO-00 CCO-00 /027 W
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FM USDEL SECRETARY IN MANILA
TO SECSTATE WASHDC IMMEDIATE 5893

~~C O N F I D E N T I A L~~ SECTO 04101

SECTO

FOR S/S - BREMER, PLEASE PASS FOLLOWING LETTER TO SENATOR
PERCY FROM THE SECRETARY

E.O. 12065: GDS 6/17/87 (ROPE, W) EA/RA
TAGS: OVIP (HAIG, ALEXANDER M.), CH
SUBJECT: LETTER TO SENATOR PERCY FROM THE SECRETARY

1. (~~CONFIDENTIAL~~ - ENTIRE TEXT.)
2. DEAR SENATOR PERCY:
3. BEFORE LEAVING BEIJING I WOULD LIKE TO GIVE YOU A REPORT ON MY MEETINGS OVER THE PAST TWO AND ONE HALF DAYS WITH TOP MEMBERS OF THE CHINESE LEADERSHIP. THESE TALKS WERE BOTH COMPREHENSIVE AND DETAILED, COVERING THE FULL RANGE OF INTERNATIONAL AND BILATERAL ISSUES WHICH CONCERN OUR TWO NATIONS. DESPITE THE FACT THAT WE DID NOT AGREE IN ALL AREAS, I FOUND THAT THE CONVERGENCE OF OUR STRATEGIC VIEWS, BOTH GLOBALLY AND IN THE ASIA-PACIFIC REGION, PROVIDED A STRONG FOUNDATION ON WHICH TO CONTINUE TO BUILD STRONG AND LASTING U.S.-CHINA RELATIONS.
4. THOUGH MOST OF OUR DISCUSSIONS -- PARTICULARLY THOSE WITH FOREIGN MINISTER HUANG HUA AND VICE CHAIRMAN DENG XIAOPING -- COVERED BROAD STRATEGIC ISSUES, WE UNVEILED A

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NEW PACKAGE OF BILATERAL INITIATIVES DESIGNED TO TREAT THE
PEOPLE'S REPUBLIC OF CHINA AS A FRIENDLY NATION WITH WHOM
WE ARE NOT ALLIED BUT WITH WHOM WE HAVE MANY COMMON

INTERESTS. MANY OF THESE ISSUES WERE BRIEFED TO YOU BY JOHN HOLDRIDGE BEFORE WE LEFT WASHINGTON. AMONG THESE WERE A RECENT DIRECTIVE BY PRESIDENT REAGAN WHICH WILL LIBERALIZE OUR CONTROLS ON THE EXPORT OF DUAL-USE TECHNOLOGY TO CHINA, SO THAT OUR BUREAUCRACY WILL CEASE TREATING CHINESE REQUESTS FOR COMPUTERS AND OTHER HIGH TECHNOLOGY ITEMS IN THE SAME MANNER AS WE DO REQUESTS FROM THE USSR. IN ADDITION, WE HAVE IDENTIFIED A MULTITUDE OF U.S. LAWS AND REGULATION DATING FROM MANY YEARS PAST WHICH LUMP CHINA TOGETHER WITH SOVIET BLOC COUNTRIES IN A MANNER WHICH IS NOT CONSISTENT WITH OUR PRESENT RELATIONSHIP. WE INFORMED THE CHINESE LEADERS THAT PRESIDENT REAGAN WOULD BE PROPOSING LEGISLATION TO THE CONGRESS TO EFFECT APPROPRIATE AMENDMENTS. I HOPE WE WILL HAVE YOUR STRONG SUPPORT IN THIS REGARD.

5. IN THIS SAME CONTEXT, WE INDICATED TO THE CHINESE THAT PRESIDENT REAGAN INTENDS TO MOVE IN THE DIRECTION OF EXAMINING REQUESTS FOR THE TRANSFER OF MILITARY WEAPONS AND TECHNOLOGY IN THE SAME MANNER AS WE DO THOSE OF ALL OTHER FRIENDLY NATIONS WITH WHOM WE DO NOT HAVE AN ADVERSARIAL RELATIONSHIP. THIS WILL BE EXPLORED FURTHER WHEN PEOPLE'S LIBERATION ARMY VICE CHIEF OF THE GENERAL STAFF LIU HUAQING VISITS THE U.S. IN AUGUST. BUT I CAN SAY NOW THAT WE HAVE MADE NO DECISIONS ON PROVIDING ANY SPECIFIC WEAPONS TO CHINA PENDING THEIR MAKING THEIR INTERESTS KNOWN. WE WOULD THEN PROCEED ON A CAREFUL, CASE-BY-CASE BASIS. WE WILL, OF COURSE, CONSULT CLOSELY WITH OUR ALLIES AND FRIENDS ABROAD AS WELL AS WITH MEMBERS OF THE CONGRESS.

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6. AS YOU KNOW, THERE WAS CONSIDERABLE SPECULATION BEFORE MY DEPARTURE THAT THE CHINESE GIVE ME A TOUGH MESSAGE ON TAIWAN. WHILE NOTHING OCCURRED WHICH WOULD DISTRACT US NOW FROM THE LARGER STRATEGIC IMPERATIVES OF OUR RELATIONSHIP, DENG AND HIS SUBORDINATES DID MAKE CLEAR THAT THE WAY IN WHICH THE U.S. DEALS WITH TAIWAN, AND THE QUESTION OF U.S. DEFENSIVE ARMS SALES TO TAIWAN IS ONE OF GREAT SENSITIVITY FOR THE PRC. I WOULD EXPECT THAT ANY SIGNIFICANT SALES WILL GENERATE OPPOSITION FROM THE PRC. WE ASSURED DENG THAT WE WOULD KEEP OUR RELATIONS WITH TAIWAN UNOFFICIAL, EVEN AS WE TREAT OUR OLD FRIENDS MORE HONORABLY AND WITH GREATER DIGNITY, AND THAT WE WOULD FULLY IMPLEMENT THE PRINCIPLES OF THE U.S.-CHINA JOINT/NORMALIZATION COMMUNIQUE. ON ARMS SALES, I SAID THESE WOULD GO FORWARD, BUT WE WOULD TAKE CHINESE SENSITIVITIES INTO ACCOUNT.

7. WE LEAVE ON AN OPTIMISTIC NOTE. U.S.-CHINESE STRATEGIC ASSOCIATION AND COOPERATION IS A VITAL U.S. INTEREST WHICH WE MUST PROTECT. A PRIMARY MEANS FOR ACHIEVING THIS WILL BE THE DEMONSTRATION OF AMERICAN RESOLVE AND RELIABILITY AND THE RESTORATION OF OUR PAST MILITARY AND ECONOMIC STRENGTH. AT THE SAME TIME, WE WILL HAVE TO PROCEED WITH EXTREME CARE AS WE APPROACH THE TAIWAN ARMS SALES QUESTION.

8. I WILL BE SPEAKING MORE WITH YOU ON MY RETURN, TO SEEK YOUR GUIDANCE AS TO HOW WE CAN PROCEED TO ACHIEVE THESE CRITICAL GOALS AND WOULD BE HAPPY TO HAVE JOHN HOLDRIDGE APPEAR BEFORE THE FULL COMMITTEE OR SENATOR HAYAKAWA'S SUB-COMMITTEE TO BRIEF THEM AS WELL. IN THE MEANTIME, I REMAIN SINCERELY YOURS, ALEXANDER M. HAIG, JR. HAIG

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